

## **1. EXISTING CONDITIONS**

This Section provides an overview of existing conditions in the Arlandria Commercial District. The City has engaged the community in a participatory process that resulted in the creation of principles to guide future development in the Upper Potomac West area and detailed plans for the redevelopment of the Safeway-Datatel site. The output from this activity is summarized below. This section also provides a Site Analysis that identifies general characteristics of the location and the physical environment that impact on the marketability of the commercial district.

Also included in this section are the results of a detailed inventory of commercial buildings and the mix of retail stores in Arlandria, based on City of Alexandria real estate assessment data, and interviews with owners and managers. Building types, conditions, and rents are also discussed. Finally, Section 1 includes information on business conditions, collected from the interviews with Arlandria business owners and managers.

### **Community Vision Process**

The community visioning process in Arlandria has been undertaken with two distinct planning groups. In 2000, the Alexandria City Council created a community task force (Upper Potomac West Task Force) to assist in planning for redevelopment of the 4.27-acre Safeway-Datatel Site, as well as the nearby East Reed Avenue Site. Their work, completed in 2001, resulted in a report "Upper Potomac West Task Force Report", dated June 26, 2001. The subject of their report, the Safeway-Datatel site, includes existing buildings and land on eight parcels within a triangle formed by the intersection of Mt. Vernon Avenue and West Glebe Road in the Arlandria commercial district. Both the 22,200 square-foot Safeway grocery store and the six-story, 31,200 square-foot Datatel office building had been vacant long enough to create a blighting influence on the neighborhood.

A second planning group (Upper Potomac West Work Group) was appointed by the City Manager in January 2002 to develop a long-term vision for the larger neighborhood and to recommend approaches to help stabilize and strengthen the neighborhood in the shorter-term.

**Overall Vision.** As part of their work, the Work Group also identified broader issues and strengths in the neighborhood and created a vision for Alexandria's "Upper Potomac West" (UPW) commercial area. This name was selected primarily because Arlandria is at the northern ("Upper") end of Alexandria's Potomac West planning area. However, most residents continue to refer to UPW as Arlandria. The overall vision builds on existing strengths identified in the community as well as needs. The vision statement includes:

1. Economic & cultural diversity
2. Pedestrian oriented, with managed traffic
3. Economically-viable, mixed-use development, building on area strengths.
4. Affordable housing & maintenance of existing neighborhoods
5. Open space & recreation amenities
6. A unique identity

Unfortunately, members of the Task Force did not coalesce on the issue of what that “unique identity” should be. However, the June 26<sup>th</sup> Task Force Report (p. I-10) states that:

*The Task Force repeatedly expressed the fact that the cultural, economic, and social diversity of the area is one of its strengths, and that any redevelopment must strive to retain those elements of diversity...(and) should attempt to include ethnic representation, such as with ethnic restaurants, and retain existing businesses...*

Among other things, this study aims to provide market support to identify and create a unique identity for Arlandria’s (or UPW’s) commercial district. The current Work Group members generated an overall long-range vision and Neighborhood Concept Plans for the Mt. Vernon commercial corridor, with the following recommendations for the physical environment:

1. Bilingual street signs, bike racks, and street furniture
2. Gateways at Mt. Vernon Avenue and Four Mile Run; and Mt. Vernon Avenue and West Glebe Road
3. Create access to Four Mile Run Park, connecting to Mt. Vernon Avenue.
4. Encourage residential development behind the Mt. Vernon Village Center as part of a mixed-use development (also to include a public plaza in front) and create through-access from Mt. Vernon to Four Mile Run Park adjacent to this development; OR create a new pedestrian-oriented retail center with office and hotel/conference center uses.
5. Encourage new retail development adjacent to the back of the Birchmere, and develop a new road from Mt. Vernon east, with retail facing the front of The Birchmere.
6. Encourage residential development above or in place of retail stores on the Food Rite site, to include pedestrian paths connecting from residential neighborhoods to the west.
7. Develop pocket parks on the west side of Mt. Vernon Avenue.
8. Correct the intersection at Russell Road / Mt. Vernon Avenue.
9. Create a pedestrian-oriented retail center and neighborhood parking on the Safeway-Datatel Site.
10. Incorporate street trees, lighting, and public sculpture (at Russell Road).

**Safeway-Datatel Site Proposed Plan.** During the course of the initial Task Force's work on the redevelopment plan for this site, the Safeway building was purchased by Weissberg Corporation. Weissberg participated in the planning process but is not prepared to develop the recommended project (or any project) until there is sufficient market support.

The Task Force developed a plan for the redevelopment of the site based on input from economic and design professionals. The "market review" conducted as part of the planning process found support for a convenience shopping center with about 50,700 square feet from the market within a one-mile primary market area and a 1½ -mile secondary market area. The plan reflects the Task Force's objective for the site, which is to create a retail/mixed use project, described as:

*...a hip, urban, diverse, funky, pedestrian-friendly development with outdoor plazas for farmers' markets, flea markets, ethnic food carts...*

The resulting illustrative plans responded to this vision with a high-density, mixed-use development with a 40,000 square-foot grocery store and an additional 30,000 square feet of convenience retail uses. The Task Force concluded that this convenience retail...

*...would attract nearby neighbors to Mt. Vernon Avenue several times each week, and thus energize the street and stimulate the revitalization of a traditional neighborhood retail street north of the Safeway/Datatel site to the Arlandria Center.*

It was envisioned that the retail would be supported by office, residential, or live/work units on the upper levels of the project.

## **Site Analysis**

A Site Analysis was conducted as part of the Market Potentials Analysis. This Site Analysis provides information on the location and physical characteristics of Arlandria that most directly impact on the area's marketability for retail and other commercial uses. The analysis results from recent, extensive site and area reconnaissance, including a full walk-through and return along Mt. Vernon Avenue from its intersection with South Glebe Road in Arlington, to past West Glebe Road in Alexandria.

### **Study Area Definition**

In general, the neighborhood and its commercial district straddle both east and west sides of Mount Vernon Avenue in Alexandria, generally between Four Mile Run and West/East Glebe Road. Mount Vernon Avenue is the primary retail corridor through the neighborhood and commercial areas on both sides of that

street are the focus of this study. The commercial area also extends up to one block beyond the intersection of Mt. Vernon Avenue and West/East Glebe Road in all directions. These additional retail areas are logical extensions of the Arlandria commercial district and also included in this analysis.

### **Location and Access**

Arlandria is a neighborhood *appropriately* named because of its location on the border of Arlington County and the City of Alexandria. The area is located just inside the northern boundary of the City of Alexandria formed by South Glebe Road. Arlandria's commercial district is within a five-minute drive on South Glebe Road to National Airport and Pentagon City, and is similarly proximate to the Pentagon itself, via I-395. Much of south Arlington is also accessible via South Glebe Road. Old Town Alexandria is a seven-minute drive to the south, via Mt. Vernon Avenue and Braddock Road.

**Capacity.** South Glebe Road is the primary feeder for traffic to Mt. Vernon Avenue, connecting Arlington and I-395 east and west with U.S. Route 1 and downtown Alexandria. Mt. Vernon Avenue itself is physically constrained as a commuter route. The street has four lanes, two of which are reserved in sections for parking. Mt. Vernon Avenue's strength as a north-south commuter route is diluted by high-capacity alternatives such as George Washington Parkway, U.S. Route 1 (Jefferson Davis Highway), Interstate 395, and locally by West & East Glebe Road. North of South Glebe Road, Mt. Vernon Avenue becomes a two-lane collector through residential neighborhoods (Arlington Ridge Road), further reducing its capacity as a commuter route. Several minor arterials like Commonwealth Avenue and Russell Road provide access to the south, but Mt. Vernon Avenue becomes a neighborhood collector south of Braddock Road.

**Traffic Volumes & Management.** Arlington County Traffic Engineering Division data illustrate a flow of traffic from I-395 along South Glebe Road, gradually diverted onto feeder routes like West Glebe Road and Mt. Vernon Avenue before reaching Jefferson Davis Highway. South Glebe Road daily traffic counts exceeded 30,000 east of I-395, in 1997. West Glebe Road received 5,043 vehicles southbound per day (with 10,754 northbound). At Mt. Vernon Avenue, South Glebe Road carried 22,443 vehicles per day, but was down to 20,569 by the time it reached Jefferson Davis Highway. In 1997, U.S. Route 1 carried 42,354 vehicles per day at South Glebe Road.

According to the Alexandria T&ES Transportation Division, Mt. Vernon Avenue carried an average of 21,262 vehicles per day at the City line, during the week of May 1<sup>st</sup> through May 7<sup>th</sup>, 2000. This is a relatively substantial traffic load for this road. Level of Service (LOS) data can help determine whether peak hour volumes are exceeding capacity, but the casual observer (and many residents) perceive a serious peak-hour capacity issue at critical junctions. Some of this

traffic is diverted onto East Glebe Road, with average daily turning counts of 12,025 at that intersection.

There are several critical choke points where a lack of proper traffic management create serious congestion and safety issues. One such location is at the entrance to the CVS parking lot onto Mt. Vernon Avenue near Russell Road. This choke point is surrounded by high-density commercial activity and has high volumes of pull-out vehicle traffic as well as pedestrian activity, yet lacks appropriate traffic signaling and pedestrian cross-walks. Several other areas throughout the district also lack adequate pedestrian facilities, including sidewalks, crosswalks, bus shelters, and signage at appropriate locations. The major intersection at Mt. Vernon Avenue and West/East Glebe Road is difficult for pedestrians to maneuver, and public and private space merge, such as between the Food Rite / Foodway Center and the adjacent retail center (with Top Wok restaurant).

### **Visibility & Exposure**

Interstate 395 is close enough to provide some regional access to Arlandria, but not close enough to afford the visibility or direct access that would enhance opportunities for large, region-serving destination uses. Mt. Vernon Avenue has a relatively minor role as a commuter route. Furthermore, the commercial district does not have exposure at South Glebe Road. Commuters must make a deliberate turn onto Mt. Vernon in order to pass through Arlandria. Only after they pass over Four Mile Run are they exposed to the commercial district, several blocks in on Mt. Vernon Avenue. Thus, exposure to Arlandria currently depends on one of the following:

1. A deliberate turn from South Glebe Road, either to *purposely* visit Arlandria as a destination or to make a deliberate short cut as a regular commuter;
2. To similarly enter Arlandria from the south, either from East/West Glebe Road, Russell Road, West Reed Avenue, or along Mt. Vernon/Commonwealth Avenues; or
3. To walk or drive from within the community.

Thus, there is little existing opportunity (other than being lost) for exposure to random pass-through or even regular commuter traffic. Most people driving through Arlandria are either going there for a specific purpose, or are merely making a short-cut in their regular commute.

Within the commercial district, the intersection of Mt. Vernon Avenue with East/West Glebe Road provides the maximum exposure and traffic volumes. Not surprisingly, several of the larger retail stores were originally located near this intersection, including the Safeway supermarket which has since closed. In essence, this was the “100% corner” for retail within the Arlandria district. The

“Glebes” (South Glebe, West & East Glebe roads) can be confusing to drivers not familiar with the area, especially since East and West Glebe roads are actually south of South Glebe Road.

Russell Road, which feeds into Mt. Vernon Avenue near the geographic center of the commercial district, does not provide the same traffic impact, especially since it dead-ends at Mt. Vernon Avenue.

## **Urban Design Framework**

Urban design improvements have been made to some of Arlandria’s public spaces. These improvements include streetscaping elements such as undergrounding of utilities brick sidewalks, plantings, and trash receptacles. For the most part, however, these improvements are under-capitalized, generically presented, and inconsistent. There have been limited physical improvements made to the street itself, which presents problems relating to safety, aesthetics, and capacity, as described above.

Genericism is the enemy of identity marketing for small urban commercial districts that depend on, or could benefit from, destination sales. Currently, Arlandria’s identity is not celebrated through gateways, signage, public art, or other elements that help create the sense of Arlandria as a unique place. Several basic design elements were recommended as part of the community’s visioning.

There have only been improvements made to a few private properties (such as the Mount Vernon Village Center), but there has not yet been a comprehensive effort to enhance building facades and other private elements. The age, architecture, and overall design of the commercial building stock is discussed briefly, later in this section.

The City is in the process of developing an Urban Design Plan for the area, and consideration should be given to the role of identity marketing in any improvements that are made. Section 4 of this report provides specific recommendations to this effect.

## **Parking**

Most of the shopping centers and freestanding buildings within the district provide for their own parking, consistent with City regulations. Individual parking lots include those provided for The Shops on the Avenue, Mt. Vernon Village Center (front and back) and CVS, Blockbuster Video, Auto Zone, 24 Express, Duron Paints, Pizza Hut, Arlandria Drive-In, The Birchmere, Restaurante Huascaran, First Union Bank, the two check cashing stores, Food Rite/Foodway, The Arlandria residential neighborhood in the triangle bound by West Glebe, Mt. Vernon, and South Glebe enter, Car Quest, McDonald’s, and the retail center south of West Glebe Road. There are also small parking lots affiliated with



groups of shops in the 3800 and 3900 blocks of Mt. Vernon Avenue. In addition, there is a supply of on-street parking for residents of Presidential Greens apartments, adjacent to Mt. Vernon Avenue.

In general, retailers and consumers have relatively few complaints about the availability of daytime parking in the area, mainly because of the large number of individual centers and freestanding stores with their own lots. However, some merchants complain that neighborhood residents have guests or over-crowded apartments resulting in the overflow nighttime use of on-street retail parking spaces. In response, the City has acted to push back parking limits to later hours in the evening. As parking time limits have become more restrictive, residents have merely waited the hour or so later in order to legally park on the street overnight.

### **Surrounding Uses**

The Arlandria residential neighborhood in and around the triangle bound by West Glebe Road, Mt. Vernon Avenue, and South Glebe Road includes a diverse housing stock including co-operative apartments, market-rate rental apartments, for-sale townhouses, and single-family homes. There are newly-developed residential / mixed use projects nearby, including Avalon @ Arlington Square and Lincoln Properties' apartments. There are also parks & open space, churches, and several other non-commercial uses adjacent to the retail area.

**Presidential Greens & Other Communities.** Presidential Greens is a 397-unit, market-rate garden apartment complex adjacent to the commercial district. The property is currently 95% occupied, but is usually full. The events of September 11 resulted in an increase of 40 vacancies due to job and wage losses for residents, many of whom worked at Crystal City hotels that depend on business generated by National Airport. Presidential Greens occupancies are just now returning to normal, thanks in part to special offers that attracted people back to the community.

Apartments range in price from \$845 (Junior 1-bedroom with 590 square feet) to \$1,155 (2 bedroom with 776 square feet). These apartments are small but very affordable, compared with other rental complexes with close proximity to Washington and convenience to major employment hubs.

Management estimates that up to 90% of residents speak Spanish as their first language, with many tenants originating in Honduras and other parts of Central America. It is estimated that 40 or 50% of Presidential Greens residents lack cars, which is consistent with 1990 Census data suggesting that 26.8% of *all* Arlandria households had no vehicle. Management has not seen a major shift in the clientele during the past 10 years.

Many of the residents of Presidential Greens, Chirilagua Co-operative, and surrounding rental communities like Kingsport, New Brookside, and The Portals, chose to live in Arlandria due to the availability of affordable housing proximate to Crystal City jobs, but also due to the amenities, such as the CVS, Latino restaurants, Potomac Yard shopping, cleaners & laundromats, schools, and excellent bus service (except to Potomac Yard). The Portals is a 15-story high-rise located adjacent to the commercial district, directly behind the new Shops on the Avenue center. The Arlandria location has also attracted homebuyers to Courtland Circle, area townhouses and single-family homes.

**Four Mile Run Park.** In addition to residential uses, the Arlandria commercial district is also located adjacent to one of Alexandria's largest public parks, Four Mile Run. This park offers large open spaces and walking trails along the Four Mile Run waterway, as well as tennis courts and other recreation facilities. However, the park has limited access, visibility, and accessibility from Mt. Vernon Avenue.

### **Assets & Amenities**

Arlandria has many assets and potential amenities, many of which were identified by the community through the visioning process. Among the most oft-mentioned of assets is Arlandria's diversity, which is perceived by residents and many business people as a real strength. Individual assets include St. Rita's Church, which plays an active role in the life of the residential community, as well as underutilized assets like Four Mile Run Park. This large City park provides open space and recreational amenities adjacent to the commercial district, but its amenity value is compromised by its lack of access.

### **Image and Identity**

Arlandria still suffers from negative perceptions driven by an active drug trade and associated violent crime activity that peaked during the early 1990's. Since that time, demographic shifts and a concerted effort by Alexandria Police and the private sector have helped reduce violent crime dramatically. Much of the activity was concentrated at vacant properties, some of which have since been purchased and rehabilitated. Still, negative *perceptions* persist, despite the area's recent ranking as one of Alexandria's safest neighborhoods.

Arlandria is also perceived as a Latino business hub with a strong sense of community. The area is perceived as having a relatively low-income, but proud, latino americano residential community that patronizes the local businesses. Even so, Arlandria's businesses have not fully or collectively capitalized on this strong existing identity to attract a broader and larger regional market. The lack of identity presented by the physical environment further dilutes the area's inherent marketing strengths.



## **Retail Inventory & Business Mix**

Arlandria has 333,383 square feet of existing commercial space. Of this amount, a total of 265,800 square feet is qualified as retail space. This retail node is equivalent in size to a large community shopping center or a small shopping mall.

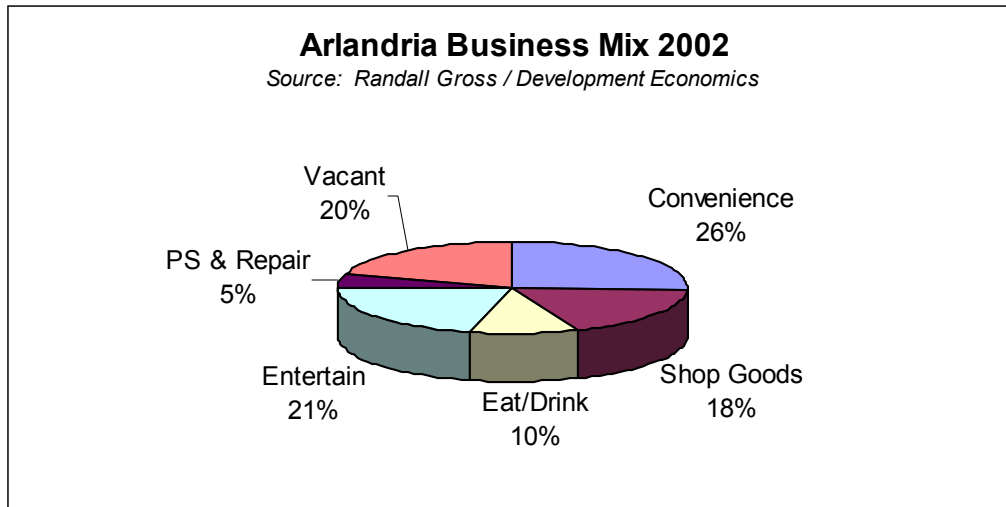
### **Vacancy**

A total of 53,135 square feet, or 20% of the retail space was vacant as of June 2002. This number includes the 22,178 square-foot former Safeway building that is considered part of the Datatel development site. This space has subsequently been leased on an interim basis. Excluding Safeway, 30,957 square feet or 12.7% of the district's space was vacant. About two-thirds of this vacant space was concentrated in the Mt. Vernon Village Center (MVVC), with the remainder in several houses and other small buildings that were not purpose-built for retail uses. Space pre-leased in MVVC by My Organic Market and other tenants was considered as occupied.

There is very little vacancy in Arlandria, outside of the two large properties and the several former single-family residences. Occupancy is high despite the lack of major retail anchors. This finding suggests some underlying strength in the existing market for retail at this location.

### **Existing Business Mix**

For a small, urban commercial district, Arlandria has a surprisingly diverse mix of retail and other businesses. As detailed in Appendix Table 1, Arlandria has about 90 businesses, including travel agencies, communication services, doctor's offices, cleaners, accountant, auto repair shops, banks & other financial services, hair salons, barber shops, and other service businesses, in addition to retail stores.



The retail mix is particularly diversified, with a relatively equal share of space devoted to the sale of convenience goods, shoppers goods, and entertainment. While only 10% of the retail space is occupied by restaurants, eating places account for the largest number of businesses, at 13. While there is a large number of restaurants, they tend to be relatively small in size. Table 1, below, summarizes the mix by major retail category, with a detailed inventory in Appendix Table 1.

**Table 1. COMMERCIAL SPACE BY RETAIL CATEGORY, ARLANDRIA, 2002**

Category	Sq. Ft.	Percent
Convenience Goods	69,735	26.2%
Shoppers Goods	47,239	17.8%
Eating/Drinking	26,528	10.0%
Entertainment	56,000	21.1%
Personal & Repair Svc	13,159	5.0%
Vacant	53,135	20.0%
<b>TOTAL</b>	<b>265,795</b>	<b>100%</b>
<i>All Comm'l Space</i>	333,383	
Sources:	City of Alexandria RE Assessments; Store owners/management; and Randall Gross / Dev. Economics.	

**Specialty Groceries.** With 26% of the space, convenience goods stores are the largest retail category in the district. Interestingly, there are eight small grocery stores that together, with 36,000 square feet of space, are equivalent in

size to a moderate-sized supermarket. In fact, the amount of grocery space in the district is more than 60% larger than the former Safeway store. Furthermore, there are four additional convenience food stores with a total of 10,000 square feet and an 11,000 square-foot pharmacy in Arlandia. The groceries are differentiated from convenience food stores because they offer fresh produce and meats.

Most of the grocery and convenience food stores are specialty markets that cater to the Latin American, African, and Asian cultural communities within Arlandia and throughout the region. These include:

1. La Feria Latina & La Feria del Pescado
2. Bangkok Oriental Foods 54
3. Genet's Firay Ethiopian Market
4. Mercadito Ramos III Latin Market
5. Chirilagua Supermarket

The 16,000 square-foot Food Rite / Foodway market is by far the largest grocery store in Arlandia. While this store is not specifically oriented to a cultural niche, the store is Asian-owned and focuses on low-margin ethnic foods primarily for the Latino community. The newest store, My Organic Market (MOM), is also a specialty food store, catering not to a specific cultural community but rather to the healthy lifestyle niche. Overall, it can be said that all of the eight groceries in the area (and several convenience food stores) cater to specialty niche markets.

**Ethnic Restaurants.** There is a similar concentration of specialty restaurants, catering primarily to ethnic tastes. Of the 13 restaurants in Arlandia, four serve Latin American food and three serve Asian foods (with another soon to open). There are also four fast-food restaurants, plus a diner and another full-service restaurant (RT's). The ethnic restaurants include:

1. Restaurante Huascaran
2. China House
3. El Pulgarcito Restaurant
4. Lilian's Restaurant
5. Senor Chicken
6. Top Wok
7. Po Siam

**Nationally-Recognized Entertainment Venue.** Arlandia is home to the Birchmere, a nationally-recognized music performance venue. The Birchmere hosts some of the biggest names in bluegrass, folk, and similar music styles. Occasionally, the club also hosts musicians with particular international cultural styles. The 56,000 square-foot club is not only the largest (and only) entertainment venue in Arlandia, but also the largest single use in the district and larger even than the size of the Datatel and Safeway buildings combined.

**General Merchandise Stores.** Arlandria has four general merchandise stores, all of which generally cater to the Latino community. These stores are typically small, but are crammed with a wide variety of goods ranging from apparel and accessories to CDs to toys and school supplies. Several of the stores offer a selection of merchandise specifically targeted to the Latin American community, particularly music, clothing, and religious items.

1. La Tienda Victoria
2. Dollar Plus
3. Tienda Sastreria Darlene
4. Super K Center

## **Commercial Buildings & Rent**

Appendix Table 2 summarizes key characteristics of commercial buildings and building leases in Arlandria.

### **Types of Retail Building Space**

About 40% of the retail space is concentrated in three shopping centers located in the Arlandria commercial district. The rest of the retail space is scattered among a variety of commercial building types and styles.

**Strip Centers.** Mount Vernon Village Center (MVVC) is the largest of the three Arlandria shopping centers, with 13 spaces and 47,673 square feet of net leasable space. The center is located near the heart of the Arlandria district, on the east side of Mt. Vernon Avenue near the intersection with Russell Road. MVVC was identified as a problem site for many years, with vacant space and a reputation for attracting criminal activity. The center's back parking lot faces onto Four Mile Run Park, and creates a barrier between the park and Mt. Vernon Avenue.

The pink post-deco center, originally built in 1945, was recently purchased and refurbished. CVS was the primary anchor (11,300 square feet) and one of only two storefronts (along with the Blockbuster out-parcel) occupied in June 2002. Additional tenant space was pre-leased to My Organic Market (MOM), Subway, Digital 2000, and Fashion K. However, there were still seven spaces remaining that were available for rent. The developer has been trying to lease to retailers that would appeal to a more affluent clientele in a broader market.

The 30,000 square-foot Food Rite / Foodway Center is located on the west side of the intersection of West Glebe Road and Mt. Vernon Avenue. This strip center built in 1964, houses the Food Rite / Foodway grocery store,

cleaners, and the 4,200 square-foot Bare Feet Shoes store. The center is directly across the street from the Safeway site.

The newest shopping center constructed in the Arlandria area is The Shops on the Avenue, a neighborhood strip center located on Mt. Vernon Avenue at the north end of the district near Four Mile Run. The 18,700 square-foot center was built in 2001 and its nine stores are fully occupied. The largest tenant is Mercadito Ramos III Latin Market, with 4,200 square feet. The center still lacks identity signage.

**Other Retail Space.** Several small shopping “centers” that are actually comprised of several attached storefront spaces line portions of the east and west sides of Mt. Vernon Avenue near Russell Road. Three small office buildings also include ground-floor retail space. The largest of these buildings is the Mt. Vernon Professional Building, with a total of 10,100 square feet.

The Waffle House restaurant occupies one of the more interesting buildings, a “gridiron-“style triangular storefront with maximum visibility facing south-bound traffic on Mt. Vernon Avenue at the Russell Road intersection. There are also several free-standing retail chain units, such as Pizza Hut, Duron Paints, 24 Express Food Store, Exxon, Auto Zone, and others, especially on the east side of Mt. Vernon Avenue north of the intersection of Russell Road and Mt. Vernon Avenue. Finally, there are several single-family residences that are either vacant or have been converted for business use. In general, the visual appearance of the former single-family residences is less than favorable.

**Office Buildings.** In addition to the vacant 35,100 square-foot Datatel Building and the Mt. Vernon Professional Building, there are two smaller office buildings in the district. These two-story buildings are located at 3706 and 3801 Mt. Vernon Avenue and include a total of about 10,700 square feet, fully occupied. Datatel is actually the newest of the office buildings, built in 1968. The others were built between 1940 and 1955.

## **Building Age**

The average age of Arlandria’s commercial buildings is close to 50 years, with some as old as 80 years. Much of the commercial area developed along with Alexandria’s suburban housing boom in the 1950’s. However, there has been intermittent development over time that has resulted in the “hodge-podge” of building styles and types discussed above. Some of the buildings, such as the houses, are not efficient or appropriate for modern retail uses. This fact has reduced their competitiveness for certain uses but has obviously not prevented the leasing of most of the space.

## **Rents & Values**

Arlandria commercial rents are averaging \$28.17 per square foot. However, there is a very broad range in rents, from \$12 to \$38 per foot, depending on the building and tenant. Building values average \$95 per square foot, which is somewhat less than the cost of new commercial construction.

## **Customer Base & Sales Trends**

Many of the businesses in the Arlandria commercial district were interviewed to assess business conditions, market sources, sales trends, tenure, prices, merchandising, advertising, and other characteristics of retail operations. These interviews were augmented with additional input and information provided by businesses, property owners, and other stakeholders at a business meeting held in the community in July of 2002. Some of the business characteristics are summarized in Appendix Table 3 and discussed below.

### **Sales Trends**

Sales are averaging \$286 per square foot in the Arlandria business district. This is a relatively healthy sales figure, given national and regional averages. However, sales range significantly, from \$65 to \$1,000 per foot at the different stores. Some stores, such as discounters or dollar stores, are naturally expected to have lower sales volumes due to their merchandising and pricing strategies. Some of the area's stores have exceptionally high sales due, in part, to their ability to achieve high volumes in very small spaces. The highest performing stores are often those that are most clearly affiliated with a regular, walk-in clientele.

Almost 70% of Arlandria's stores report increasing sales over the past three years. On average, sales are increasing at a healthy rate of 3.3% per year, which is higher than the rate of inflation. However, this average includes several exceptionally good years for the national economy (1999-2000 and 2000-2001).

**Economic Impact of the Events of September 11<sup>th</sup>.** Since the tragic events of September 11<sup>th</sup>, many stores have seen their sales decline dramatically. Several stores report losses of up to 40% so far as compared with the previous year. The impact of the events of September 11<sup>th</sup> has been more severe in Arlandria than in other parts of the region. Normally, Arlandria benefits from its proximity to both the Pentagon and National Airport. Both of these anchors provide a customer base for Arlandria retailers and especially, restaurants. The events at the Pentagon obviously had a deleterious effect on Arlandria businesses.

However, the greater impact resulted from the closure of National Airport and the subsequent downturn in hotel business in Crystal City, where so many of



Arlandria's residents work. Service industry layoffs resulted in lower incomes for Arlandria residents and therefore, lower disposable income for the purchase of goods and services at Arlandria's retail shops.

### **Origin of Customer Base**

While Arlandria is not just a convenience retail node, the vast majority of sales are generated from households within walking distance to the district. Based on information on customer origin and sales from area retailers, a weighted average of 72% of Arlandria's sales are generated by households either in walking distance or within a five-minute drive of the commercial district. Although Arlandria's stores report anywhere from 5% to 90% of sales from within this distance, the largest number of stores report that 80% of sales are generated from within walking distance. This is an unusually high number, even within a densely-populated urban area. This factor suggests that the area *already* serves a pedestrian-oriented customer base and confirms the community's vision and need for a pedestrian-friendly retail environment.

### **Seasons and Hours**

Arlandria does not have a seasonal shift in the market, although there is some dependence among restaurants on trade generated by convention hotels in Crystal City. This trade peaks in certain months like October, when convention season is in full swing. Obviously, the events of September 11th impacted on this business in particular.

Stores in Arlandria are generally open seven days a week, although hours vary, especially on weekends. Restaurants are open into the evenings, but few of the shopper's goods stores stays open past 5pm. Therefore, eating and drinking are the only nighttime activities in Arlandria, other than entertainment at The Birchmere.

## **Summary**

A lot of work has already been done by the community to determine appropriate concepts for redevelopment in the Arlandria / Upper Potomac West commercial district. The original Task Force and the current Work **G**roup have worked to generate a long-term vision and specific recommendations and plans not only for the redevelopment of two key sites, but also for the commercial area as a whole.

The Arlandria commercial district has about 265,000 square feet of commercial space in a variety of retail buildings. The business mix is very diversified, with convenience, shoppers goods, entertainment, restaurants, and personal service establishments fairly equally represented. However, the area does have a large concentration of specialty food stores, ethnic restaurants,

cleaners, and general merchandise stores. Arlandria is also home to a nationally-recognized entertainment venue.

The district currently serves a distinctly local market, with an unusually high dependence on walk-in trade. The district is uniquely oriented towards a diverse cultural market, including a strong Latin American clientele. This local retail market was severely impacted by the events of September 11th, which reduced the disposable incomes and retail purchasing power of Arlandria households.

Most of Arlandria's commercial businesses are clustered along Mt. Vernon Avenue. This street is not a major commuter route, but still carries a significant traffic load of over 20,000 vehicles per day. Much of this traffic is probably local or short-cut oriented, but generally not destination driven. The volume of traffic only becomes a problem due to traffic management issues that create several severe choke points. The City and community have already identified possible long-term solutions to some of the traffic management issues, but seek market input on enhancing the area's identity and marketability in the near term.